

## UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG \_\_\_\_\_ ELECTRIC LOGS \_\_\_\_\_ FILE ☒ WATER SANDS \_\_\_\_\_ LOCATION INSPECTED \_\_\_\_\_ SUB. REPORT/abd. \_\_\_\_\_

DATE FILED 4-25-88

LAND: FEE & PATENTED \_\_\_\_\_ STATE LEASE NO. \_\_\_\_\_ PUBLIC LEASE NO. U-40440 \_\_\_\_\_ INDIAN \_\_\_\_\_

DRILLING APPROVED: 4-29-88

SPUDDED IN: \_\_\_\_\_

COMPLETED: 11-15-89 *PA* PUT TO PRODUCING: \_\_\_\_\_

INITIAL PRODUCTION: \_\_\_\_\_

GRAVITY A.P.I. \_\_\_\_\_

GOR: \_\_\_\_\_

PRODUCING ZONES: \_\_\_\_\_

TOTAL DEPTH: \_\_\_\_\_

WELL ELEVATION: 5832' *gr*

DATE ABANDONED *PA per BLM 11-15-89*

FIELD: UNDESIGNATED

UNIT: \_\_\_\_\_

COUNTY: SAN JUAN

WELL NO. ARROWHEAD FEDERAL 1-9 API NO. 43-037-31412

LOCATION 2250' FNL FT. FROM (N) (S) LINE. 310' FEL FT. FROM (E) (W) LINE. SE NE 1/4 - 1/4 SEC. 9

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
------	------	------	----------	------	------	------	----------

37S

23E

9

E P OPERATING COMPANY

**ENSERCH  
EXPLORATION** INC.

One United Bank Center  
1700 Lincoln Street, Suite 3600  
Denver, Colorado 80203-4536  
303-831-1616

RECEIVED APR 08 1988

G. T. Abell  
Area Land Manager  
Rocky Mountain Area

April 6, 1988

Petroleum, Inc.  
500 Colorado State Bank Bldg.  
Denver, CO 80202

Attn: Mr. Tim Morris

RE: Flatlands Prospect  
Option Well Location  
T37S, R23E  
Sec. 9: SE/4 NE/4  
San Juan Co., Utah

Gentlemen:

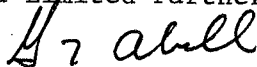
EP Operating Company is preparing to drill an option well subsequent to our Flatlands Federal #1-10 well at an off-pattern location captioned above. The well site (310' FEL and 2250' FNL) has been located at the exception location due to topographical and geological reasons, and thus necessitates application to the State of Utah for approval. As part of the application we must obtain your approval since your leasehold falls within a radius of 660' of the proposed location. Your leasehold in the SE/4 of Section 9 and the SW/4 of Section 10, T37S, R23E (USA U-41258) is affected and we, therefore, respectfully request that you acknowledge your approval of our

proposed location by signing and returning one copy of this letter at your earliest convenience.

Please call if you have questions. Thank you for your help.

Yours very truly,

ENSERCH EXPLORATION, INC.,  
Managing General Partner for  
EP Operating Company,  
a Limited Partnership




G. T. Abell  
Area Land Manager

GTA:kd

AGREED TO AND ACCEPTED THIS 11th DAY OF April,  
1988.

PETROLEUM, INC.

By:

  
\_\_\_\_\_  
Timothy R. Morris  
Attorney-in-Fact

**ENSERCH  
EXPLORATION** INC.

7800 Stemmons Frwy.  
Suite 500  
Dallas, Texas 75247  
214/630-8711

**RECEIVED**  
APR 25 1988

April 20, 1988

**DIVISION OF  
OIL, GAS & MINING**

State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
355 W. North Temple  
3 Triad Center - Ste. 350  
Salt Lake City, UT 84180

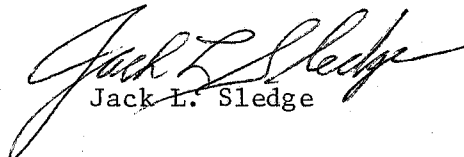
Re: Request for Administrative Exception  
Arrowhead Federal No. 1-9  
2250'FNL & 310'FEL : SE-NE  
Section 9, T37S- R23E  
San Juan County, Utah  
Federal Lease No. U-40440

Dear Sirs:

Attached are two copies of the Application for Permit to Drill for the captioned well. Due to topographic, geologic and archaeological concerns, the proposed drill site does not conform to the locating and siting requirements of Rule 302. The tracts of land falling within a radius of 460 feet are the SW-NW Section 10 and NE-SE Section 9. The tract in Section 10 is controlled by EP Operating Company by virtue of an Oil and Gas Lease with Mr. Rex Anderson, et al. The tract in Section 9 is a Federal Lease (No. U-41258) held by Petroleum, Inc. EP Operating Company has been designated Operator of this lease by Petroleum, Inc. for our Flatland Federal No. 1-10 (See Attached Designation of Operator). In addition, Petroleum, Inc. has granted their approval of the captioned location (see Attached Letter).

An administrative exception is requested for this location as it would provide the optimum drill site without adversely affecting the interests of other operators or individuals. If there are any questions, or if additional information is required, please advise.

Very truly yours,

  
Jack L. Sledge

JLS/dd

Attachments

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

DIVISION OF  
OIL, GAS & MINING

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

E P Operating Company

3. ADDRESS OF OPERATOR

7800 Stemmons Frwy., Ste. 500, Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)

At surface

2250' FNL & 310' FEL (SE-NE)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

11 miles SE of Blanding, Utah

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

310'

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

NA

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

19. PROPOSED DEPTH

6,600 *per order Sect*

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5832' GR

22. APPROX. DATE WORK WILL START\*

June, 1988

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	2300'	Circulate to surface
7-7/8"	5-1/2"	15.5#	6600'	100' of fill - top 5600'

Proposed Operation:

Drill a 12-1/4 inch hole to 2300 feet, run and cement 8-5/8 inch casing in place. Install an 8-5/8 inch x 11 inch x 3000 psi wellhead and nipple-up the rig BOP equipment. Test ram preventers and surface equipment to 3000 psi. Test annular preventer to 1500 psi. Test casing to 1000 psi prior to drilling out. Drill a 7-7/8 inch hole to 6600 feet, run drill stem tests where shows dictate. Upon reaching T.D., run open hole radioactive and electric logs. If well proves production, run 5-1/2 inch casing to T.D. and cement in place. If well proves dry, plugs will be set per BLM and State of Utah instructions.

\*See attached Drilling Program and Thirteen Point Surface Use Plan.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

JACK L. SLEDGE

TITLE Regional Drilling Manager

DATE 4-20-88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY THE STATE

OF UTAH DIVISION OF

OIL, GAS, AND MINING

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

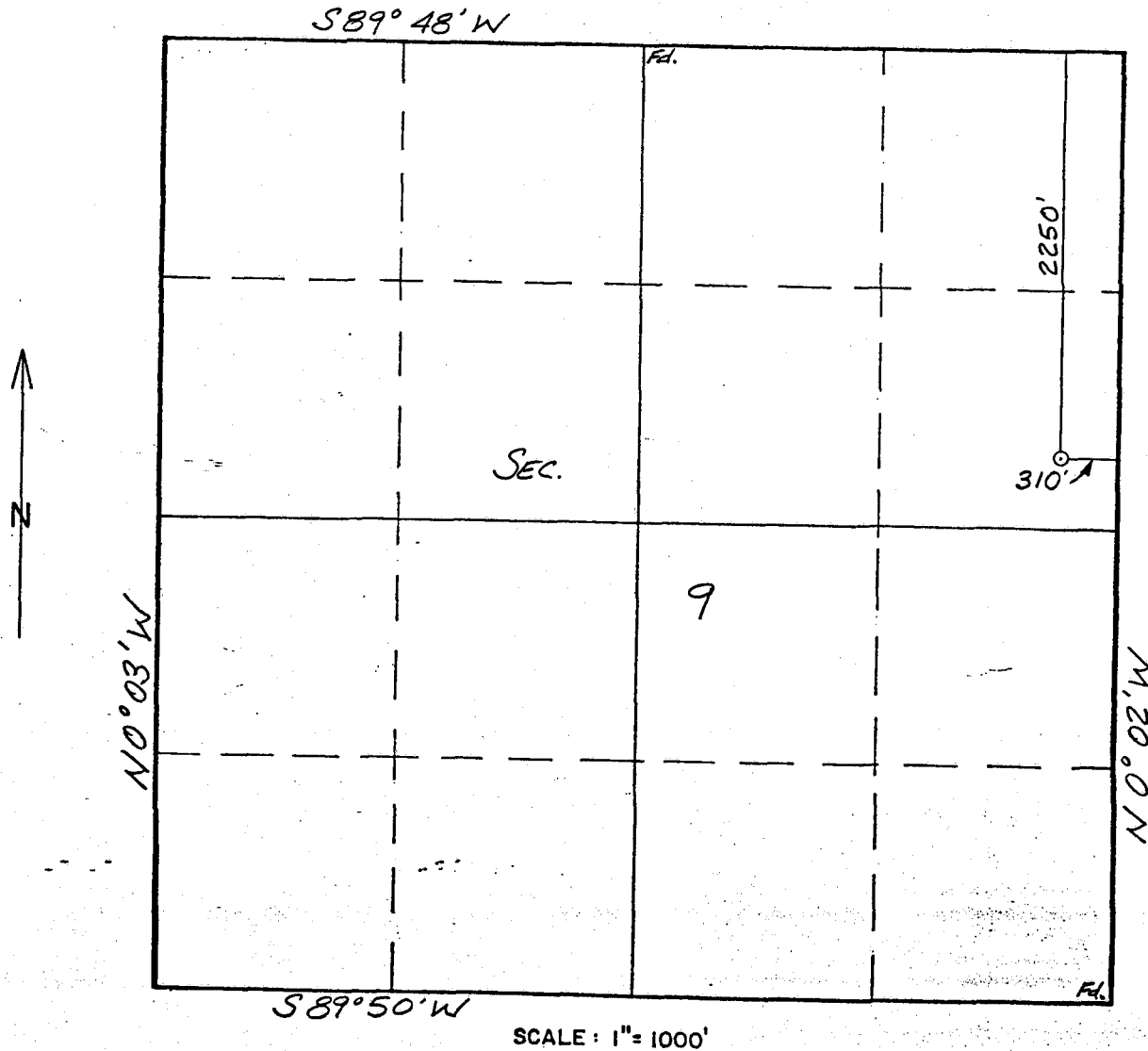
DATE: 4-29-88

BY: *[Signature]*

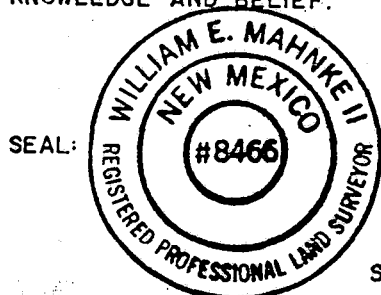
WELL SPACING: RL15-3-3

\*See Instructions On Reverse Side

COMPANY E P OPERATING COMPANY  
LEASE ARROWHEAD FEDERAL WELL NO. 1-9  
SEC. 9, T. 37 S, R. 23 E  
COUNTY San Juan STATE Utah  
LOCATION 2250'FNL & 310'FEL  
ELEVATION 5832



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



*William E. Mahnke II*  
WILLIAM E. MAHNKE II  
NEW MEXICO P.L.S. No 8466

SURVEYED MAR. 31, 1988

LIST OF ATTACHMENTS

Conditions of Approval for Permit to Drill

A. Drilling Program

B. Thirteen Point Surface Use Plan

Minimum Blowout Preventer Requirements

Well Site Layout - Cuts and Fills

Topographic Maps - Directions to Location

Bonding

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

STATE OFFICE: Utah  
SERIAL NO.: U-4 1258

and hereby designates

NAME: EP Operating Company  
ADDRESS: 1700 Lincoln Street, Suite 3600  
Denver, Colorado 80203

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

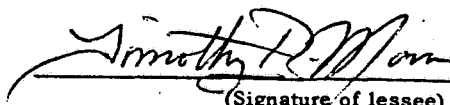
Township 37 South - Range 23 East

Section 9: S $\frac{1}{2}$   
Section 10: SW $\frac{1}{4}$

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.



(Signature of lessee)

Timothy R. Morris, Attorney-in-Fact  
Petroleum, Inc.  
1600 Broadway, Suite 500  
Denver, Colorado 80202

(Address)

April 6, 1988

(Date)

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and thereto does not require OMB approval.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE

DESIGNATION OF OPERATOR

*This form does not constitute an information collection as defined by 44 U.S.C. 3502  
and therefore does not require approval by the Office of Management and Budget*

The lessee identified below is, on the records of the Minerals Management Service, a leaseholder of:

Lease Number: U-40440

Regional Office: Salt Lake City, Utah

and hereby designates

Name: EP Operating Company  
C/O Enserch Exploration, Inc.  
Address: P. O. Box 2649  
Dallas, Texas 75221-2649

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Regional Director or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe block or aliquot portion to which this designation is applicable):

The North Half (N/2) of Section Nine (9), Township Thirty-seven (37)  
South, Range Twenty-three (23) East, SLM, San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease, laws, regulations, and Outer Continental Shelf Orders applicable to the area. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees to notify the Regional Director promptly of any change in the designated operator.

April 7, 1988  
(Date)

OXY USA INC.  
(Name of Lessee)

Kenneth L. Miller  
(Authorized Signature of Lessee)

Kenneth L. Miller

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

COMPANY EP Operating Company WELL NAME Arrowhead Federal No. 1-9  
LOCATION Section 9, T37S-R23E LEASE NO. U - 40440  
ONSITE INSPECTION DATE 4-13-88

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. Drilling Program

1. Surface Formation and Estimated Formation Tops:

<u>Formation Name</u>	<u>Estimated Top</u>
Morrison	Surface
Chinle	2260'
Cutler	3150'
Hermosa	5050'
Ismay	6115'
Desert Creek	6370'
Akah	6470'
Paradox Salt	6500'

2. Expected Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered:

	<u>Formation</u>	<u>Depth</u>
Expected Oil Zones:	Ismay	6115'
	Desert Creek	6370'

Expected Gas Zones: Gas could be produced from oil zones.

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment:

See Minimum Blowout Prevention Equipment attachment.

Working pressure of blowout prevention equipment will be a minimum of 3000 psi.

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP equipment will be tested to full working pressure with the exception of the annular preventer which will be tested to 50%.

4. Casing Program and Auxiliary Equipment:

CASING PROGRAM

<u>Size</u>	<u>Grade</u>	<u>Weight</u>	<u>Condition</u>	<u>Depth</u>	<u>Cement Top</u>
8-5/8"	K55	24#	New	0' - 2300'	Surface
5-1/2"	K55	15.5#	New	0' - 6600'	1000' of fill (to 5600')

Anticipated cement tops will be reported as to depth, not the expected number of sacks. Casing will be tested to 0.2 psi/ft or 1000 psi, whichever is greater.

AUXILIARY EQUIPMENT

- (a) A lower kelly cock will be kept in the string.
- (b) A full opening safety valve will be kept on the floor to be stabbed into the drill pipe when the kelly is not in the string.
- (c) A mud logging unit with gas detecting equipment will be used from from 4500 feet to total depth to monitor the mud system.

5. Mud Program and Circulating Medium:

<u>Depth Interval</u>	<u>Mud Type</u>	<u>Mud Weight (ppg)</u>	<u>Viscosity (sec./qt)</u>	<u>Water Loss (cc)</u>
0' - 2300'	Fresh Water Gel/Lime	8.6 - 9.0	32 - 40	NC
2300' - 4500'	Fresh Water Gel/Lime	8.6 - 9.2	36 - 40	NC
4500' - 6600'	Fresh Water/ Salt Water	9.0 - 11.0	36 - 45	8 - 15

Adequate stocks of sorptive agents and weighting materials will be onsite to handle any anticipated down-hole problems as well as possible spills of fuel and oil on the surface.

Blooeie will be misted to reduce fugative dust when air drilling.

6. Coring, Logging and Testing Program:

Coring: NA

Testing: Drill stem tests are anticipated for the Ismay and Desert Creek and will be run as shows dictate.

Logging: DIL/GR/SP                      T.D. to base of surface casing  
          Sonic/GR/CAL                T.D. to base of surface casing  
          CN/CD/GR/CAL               T.D. to 4000'

6. Coring, Logging and Testing Program: - continued

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4.1. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the dfrilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

7. Abnormal Conditions, Bottom Hole Pressure and Potential Hazards:

Anticipated Bottom Hole Pressure: +2000 psi

There have been no major potential hazards or abnormal conditions reported on area wells. Water flows have been encountered on some wells but have been easily controlled by increasing mud weights with either salt (NaCl) or barite. Both agents will be maintained in stock on location.

8. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table I, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas order No. , this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations begin and continuing each month until the well is physically plugged and abandoned. This report will be sent to the BLM, Moab District Office, P. O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

Should the well be successfully completed for production, the District Manager will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

8. Anticipated Starting Dates and Notifications of Operations:  
- continued

A first production conference will be scheduled within 15 days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be erected as follows: above ground pipe. The top of the marker will be closed or capped.

The following information will be permanently beaded-on with a welding torch: "Fed", "Well Number", location by 1/4 1/4 section, township and range. "Lease Number".

Other: It is anticipated that operations will begin around June 15, 1988.

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads: See Attached Map

- a. Proposed well is located 11.2 miles southeast of Blanding, Utah
- b. Route: Proceed 1.2 miles south of Blanding, Utah on Hwy 163. Turn east on an existing gravel road and follow 1.1 miles to County Road 206. Follow CR 206 6.5 miles south and east to the junction with CR 207. Turn north on CR 207 and follow 2.3 miles to the point the proposed access road exits to the west. Follow the access road 500 feet into the proposed drill site.
- c. Existing roads will be maintained in present condition.
- d. An encroachment permit will be obtained from the San Juan County Road Department.

2. Planned Access Roads: See Attached Map

- a. The maximum total disturbed width will be 30 feet (20 feet flat bladed) for 500 feet.
- b. Maximum grade: NA
- c. Turnouts: NA
- d. Location (centerline): Follow existing trail.
- e. Drainage: NA for drilling.
- f. Surface Materials: Only native materials will be used.

Surface disturbance and vehicular travel will be limited to the approved location and approved access road. Any additional area needed will be approved in advance by the Area Manager.

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells: 1 mile radius

Abandoned Well -

Well Name: Alkali Canyon No.2  
Operator: Continental Oil Co.  
Location: SW-NW Section 10, T37S-R23E

4. Location of Tank Batteries and Production Facilities:

All permanent (on site for 6 months or longer) structures constructed or installed (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5 State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be neutral to blend with soil or tree colors.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7-4 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.



4. Location of Tank Batteries and Production Facilities - continued

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. Location and Type of Water Supply:

All water need for drilling purposes will be obtained from private sources.

The water source to be used to drill this well is Gore's Pond located North 531' & West 1810' from the west quarter corner in Section 1, T38S-R24E, San Juan County. Water users claim number: 09-156; application number 23462; certificate number 7854.

6. Source of Construction Material:

Pad Construction material will be obtained from native materials.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.1-3. Construction material will be located on lease.

7. Methods of Handling Waste Disposal:

The reserve pit will not be lined. At least half of the capacity will be in cut.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit will be obtained from the San Juan County Sheriff (801) 587-2237 if trash burning is to occur between May 1 and October 31.

Produced waste water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. Ancillary Facilities:

Camp facilities will not be required. Temporary trailers will be moved on to house the tool pusher, company personnel and the mud logger.

9. Well Site Layout: See Attached Layout

The reserve pit will be located on the east side.

The top 4 to 5 inches of soil material will be removed from the location and stockpiled east side. Topsoil along the access will be reserved in place.

Access to the well pad will be from the south.

The trash pit will be located along the north edge of the reserve pit.

10. Reclamation:

Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All disturbed areas will be recontoured to the approximate natural contours.

The stockpiled topsoil will be spread evenly over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. These areas will be ripped to a depth of 6 inches with rips being 18 inches apart.

Seeding will be broadcast between October 1 and February 28 with the following prescription:

10 lbs/acre Crested Wheat Grass

1/2 lbs/acre Yellow Sweet Clover

The access will be blocked to prevent vehicular access.

10. Reclamation: - continued

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

11. Surface and Mineral Ownership:

Surface Ownership: Bureau of Land Management

Mineral Ownership: Federal

12. Other Information:

A cultural resource survey was conducted and clearance has been granted. The survey report will be submitted to the BLM.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.3-2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

The dirt contractor will be provided with an approved copy of the surface use plan.

All persons in the area who are associated with the project will be informed by the operator that they will be subject to prosecution for disturbing archaeological sites or collecting artifacts. If subsurface cultural material is exposed during construction, work at that spot will stop immediately and the BLM, San Juan Resource Area Office will be contacted at (801)587-2141. The Operator will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation shall be made by the authorized officer after consulting with the operator.

This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

13. Lessee's or Operator's Representative and Certification:

Representatives

Name: Jack L. Sledge  
Regional Drilling Manager

Bob G. Vick  
Regional Drilling Superintendent

M.E. (Dusty) Kinchen  
Senior Drilling Engineer

Address: 7800 Stemmons Frwy - Ste. 500  
Dallas, TX 75247

Phone No. (214) 630-8711

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with operations proposed herein will be performed by: EP OPERATING COMPANY and its contractors and subcontractors in conformity with this plan and the terms and conditons under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Name

  
Jack L. Sledge

Title Regional Drilling Manager,  
for EP Operating Company,  
a limited partnership by  
Enserch Exploration, Inc.  
Managing General Partner

Date April 20, 1988

ENSERCH EXPLORATION, INC  
 MINIMUM REQUIREMENTS FOR BLOW-OUT PREVENTION EQUIPMENT  
 3000 psi W. P.

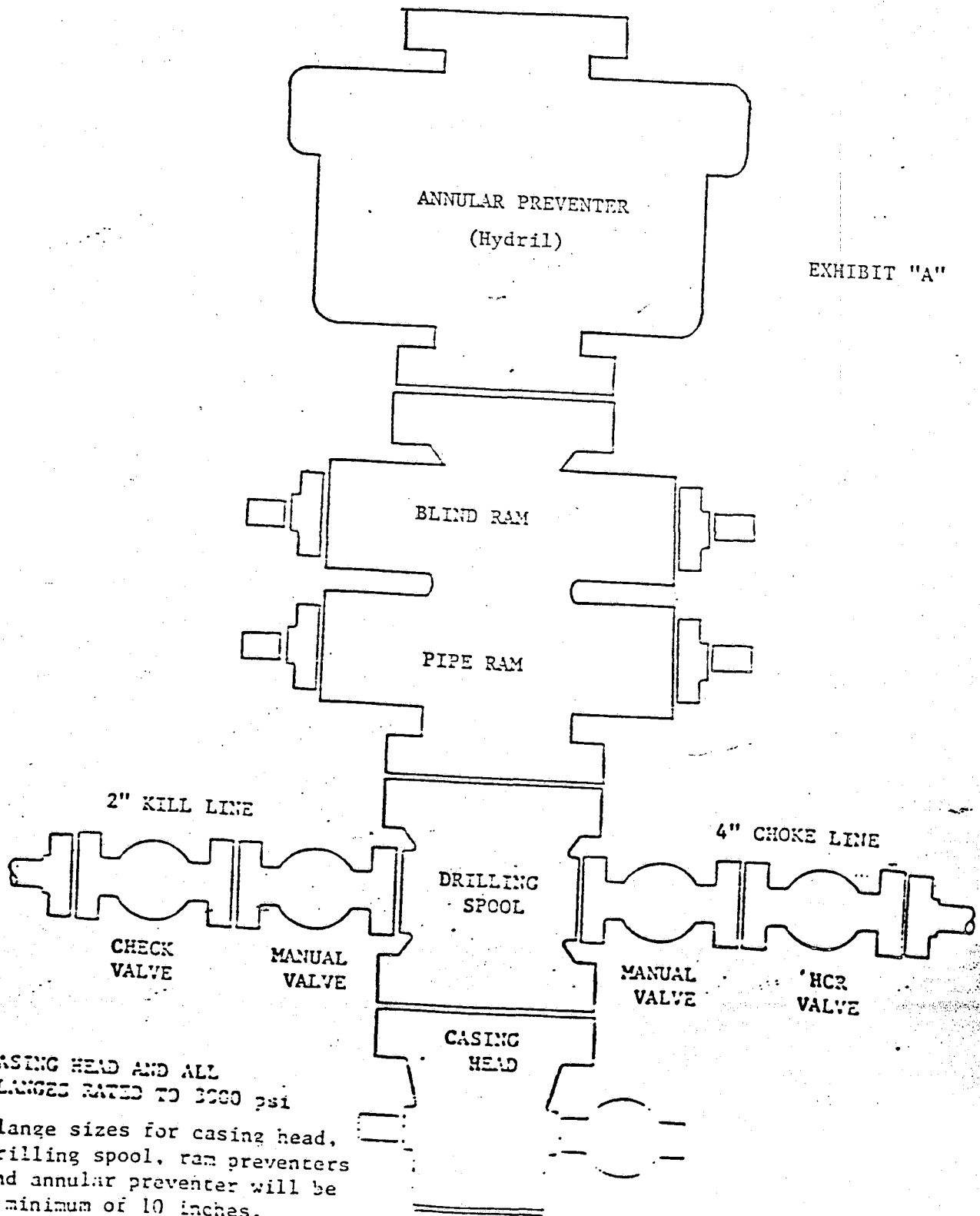


EXHIBIT "A"

MINIMAL REQUIREMENTS FOR CHOKE MANIFOLD

3000 psi W. P.

EXHIBIT "A" Continued

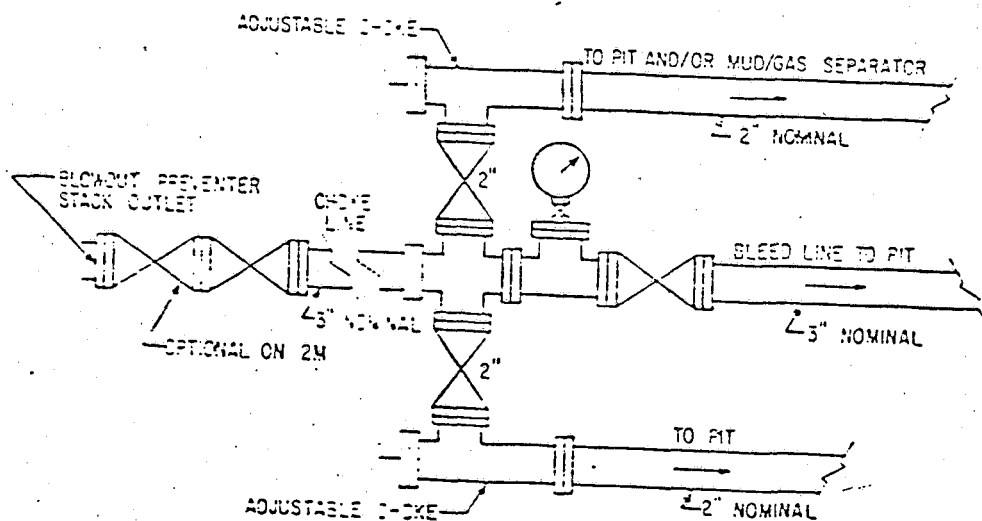
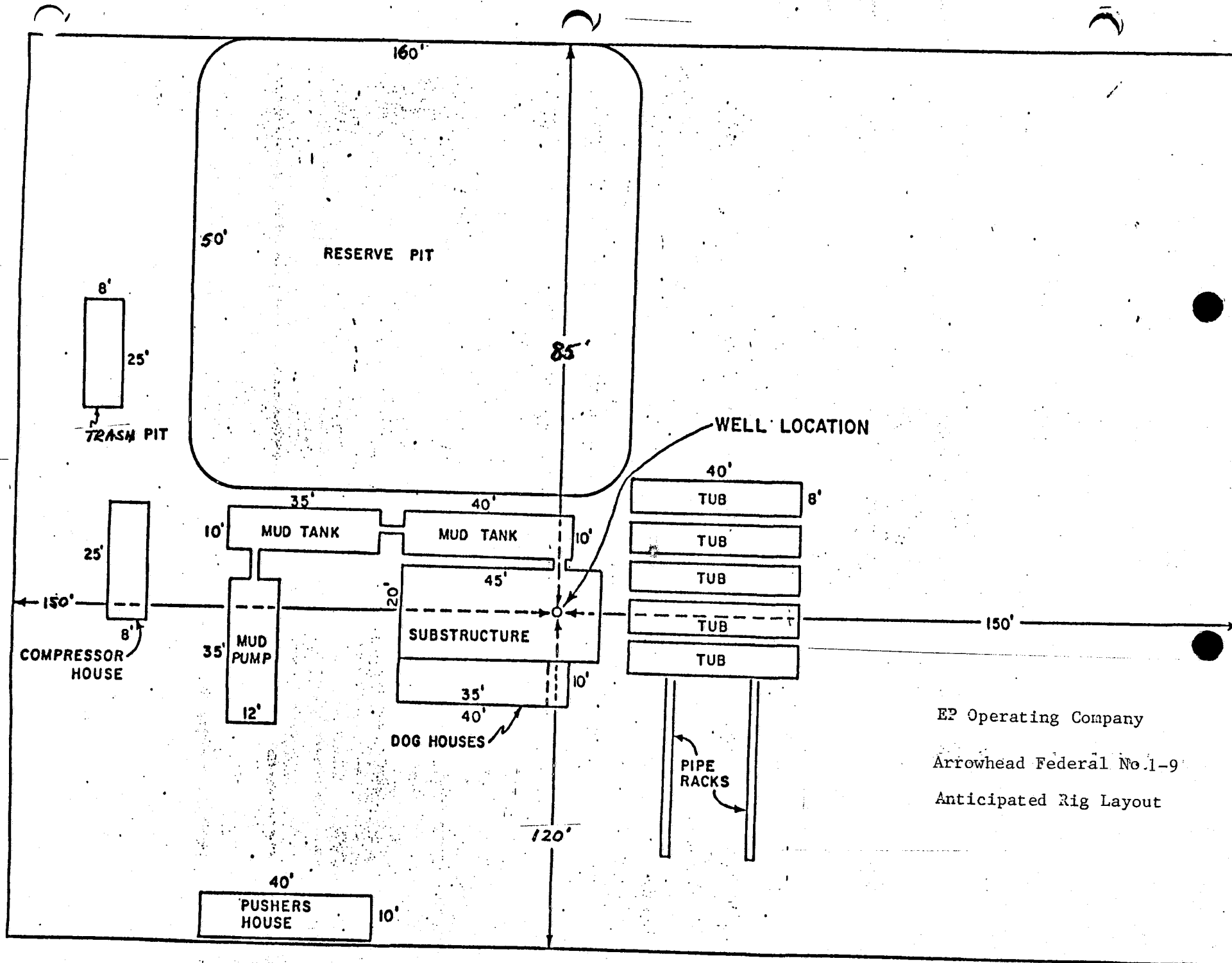


FIG. 3.A.1  
TYPICAL CHOKE MANIFOLD ASSEMBLY  
FOR 2M AND 2M RATED WORKING  
PRESSURE SERVICE - SURFACE INSTALLATION

A hand-drawn site plan map showing a rectangular area divided into sections. The top section is labeled "LAYDOWN S 20° W" and contains points C-31, C-71, F-71, and F-75. The bottom section is labeled "Reserve Pit 10' Deep" and contains points C-01, C-64, and F-05. A "Burn Pit" is shown in the bottom left corner. A "TOP SOIL & BRUSH" area is indicated at the bottom. The map includes dimensions (150', 120', 50', 35', 10', 160', 40', 50') and a scale of 1" = 50'.

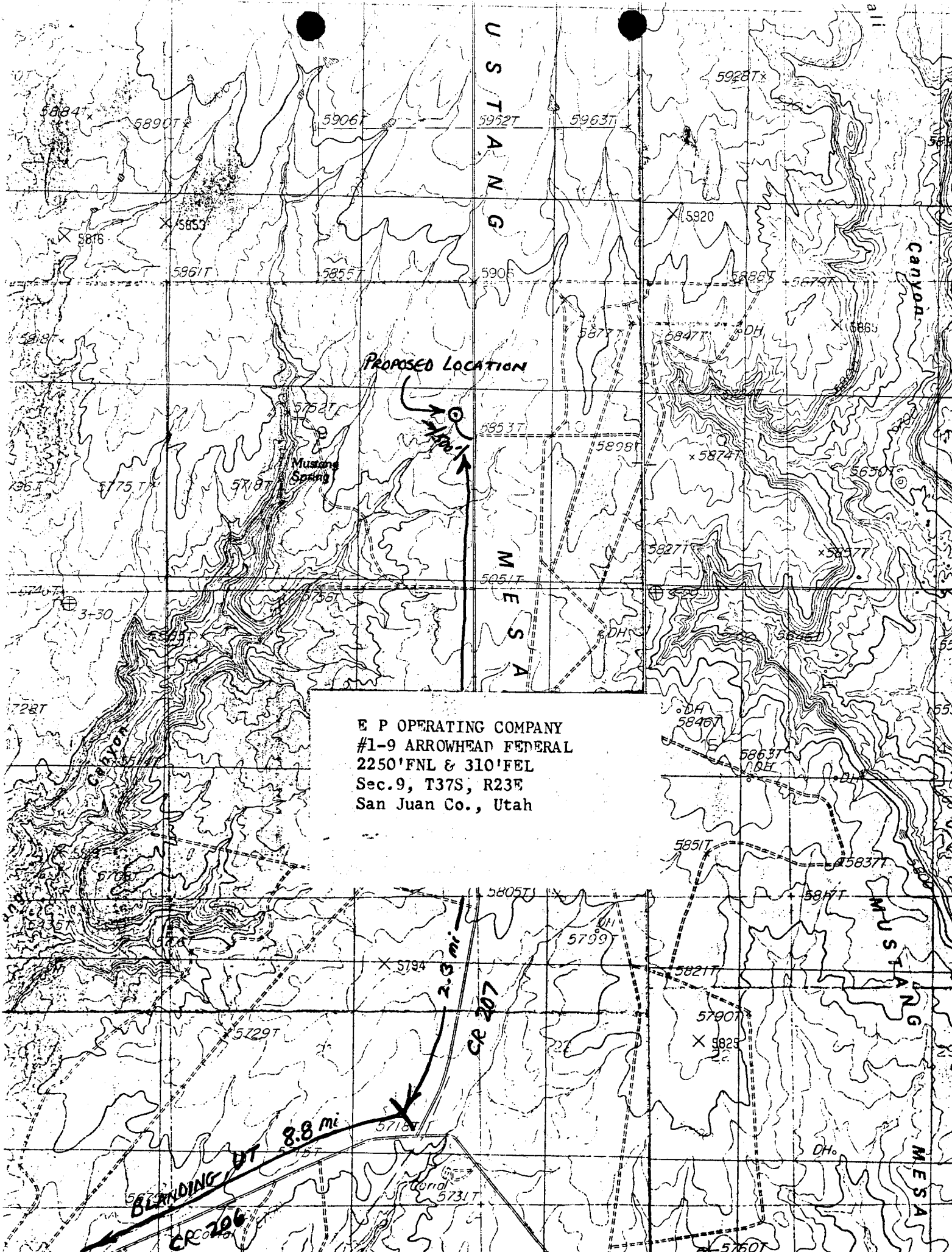
5840							
5830							

[illegible][illegible]



EP Operating Company  
Arrowhead Federal No. 1-9  
Anticipated Rig Layout





PROPOSED LOCATION

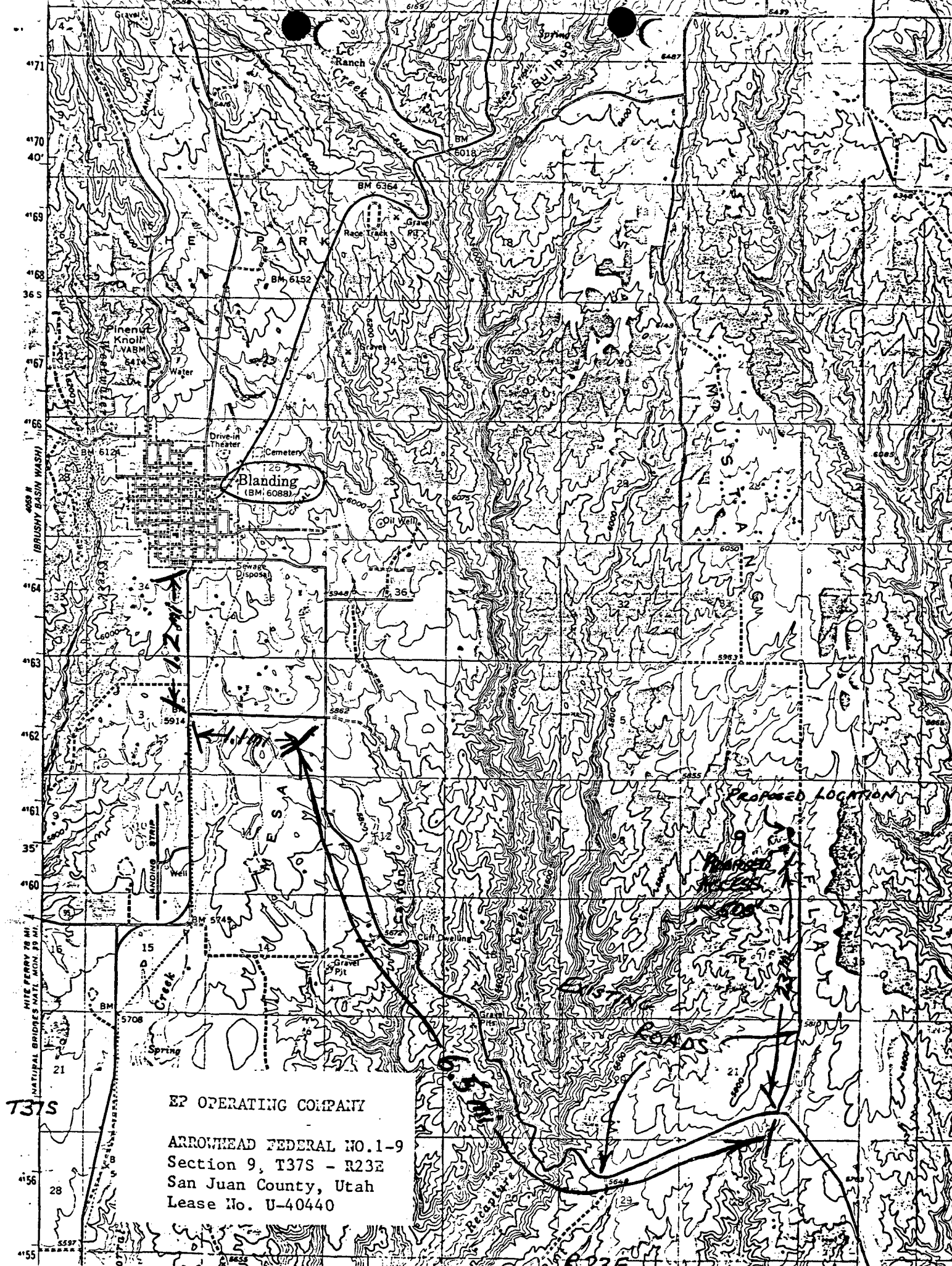
E P OPERATING COMPANY  
#1-9 ARROWHEAD FEDERAL  
2250'FNL & 310'FEL  
Sec.9, T37S, R23E  
San Juan Co., Utah

CR 207

BLANDING CANYON  
CR 206

2.3 mi

8.8 mi



EP OPERATING COMPANY

ARROWHEAD FEDERAL NO.1-9  
Section 9, T37S - R23E  
San Juan County, Utah  
Lease No. U-40440

T37S

R23E

BONDING

EP Operating Company, holds a nationwide oil and gas bond in the amount of \$150,000 filed with the United States Department of the Interior, Bureau of Land Management.

BOND NUMBER: MKO 2883958

ISSUED: May 16, 1985

OPERATOR EP Operating Company DATE 4-26-88

WELL NAME Arrowhead Fed. 1-9

SEC SE NE 9 T 37S R 23E COUNTY San Juan

43-037-31412  
API NUMBER

Fed.  
TYPE OF LEASE

CHECK OFF:

☒ PLAT

☒ BOND

☒ NEAREST  
WELL

☒ LEASE

☒ FIELD

☒ POTASH OR  
OIL SHALE

PROCESSING COMMENTS:

no other well within 920'  
water permit ok 09-156 / 23462  
exception location requested - ok

APPROVAL LETTER:

SPACING: ☐ R615-2-3 \_\_\_\_\_ UNIT

☐ R615-3-2

☐ \_\_\_\_\_  
CAUSE NO. & DATE

☒ R615-3-3

STIPULATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 29, 1988

E P Operating Company  
7800 Stemmons Freeway, Suite 500  
Dallas, Texas 75247

Gentlemen:

Re: Arrowhead Federal 1-9 - SE NE Sec. 9, T. 37S, R. 23E  
2250' FNL, 310' FEL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations.

Page 2  
E P Operating Company  
April 29, 1988

A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.

7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31412.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

lr  
Enclosures  
cc: Branch of Fluid Minerals  
D. R. Nielson  
8159T

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

MAY 9 1988

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

E P Operating Company

3. ADDRESS OF OPERATOR

7800 Stemmons Frwy., Ste. 500, Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

2250' FNL & 310' FEL (SE-NE)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

11 miles SE of Blanding, Utah

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

310'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

6,600'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5832' GR

22. APPROX. DATE WORK WILL START\*

June, 1988

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	2300'	Circulate to surface
7-7/8"	5-1/2"	15.5#	6600'	100' of fill - top 5600'

43-037-31412

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

JACK L. SLEDGE

TITLE

Regional Drilling Manager

DATE

4-20-88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY /s/ C. Delano Backus

TITLE Acting District Manager

DATE 5/5/88

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

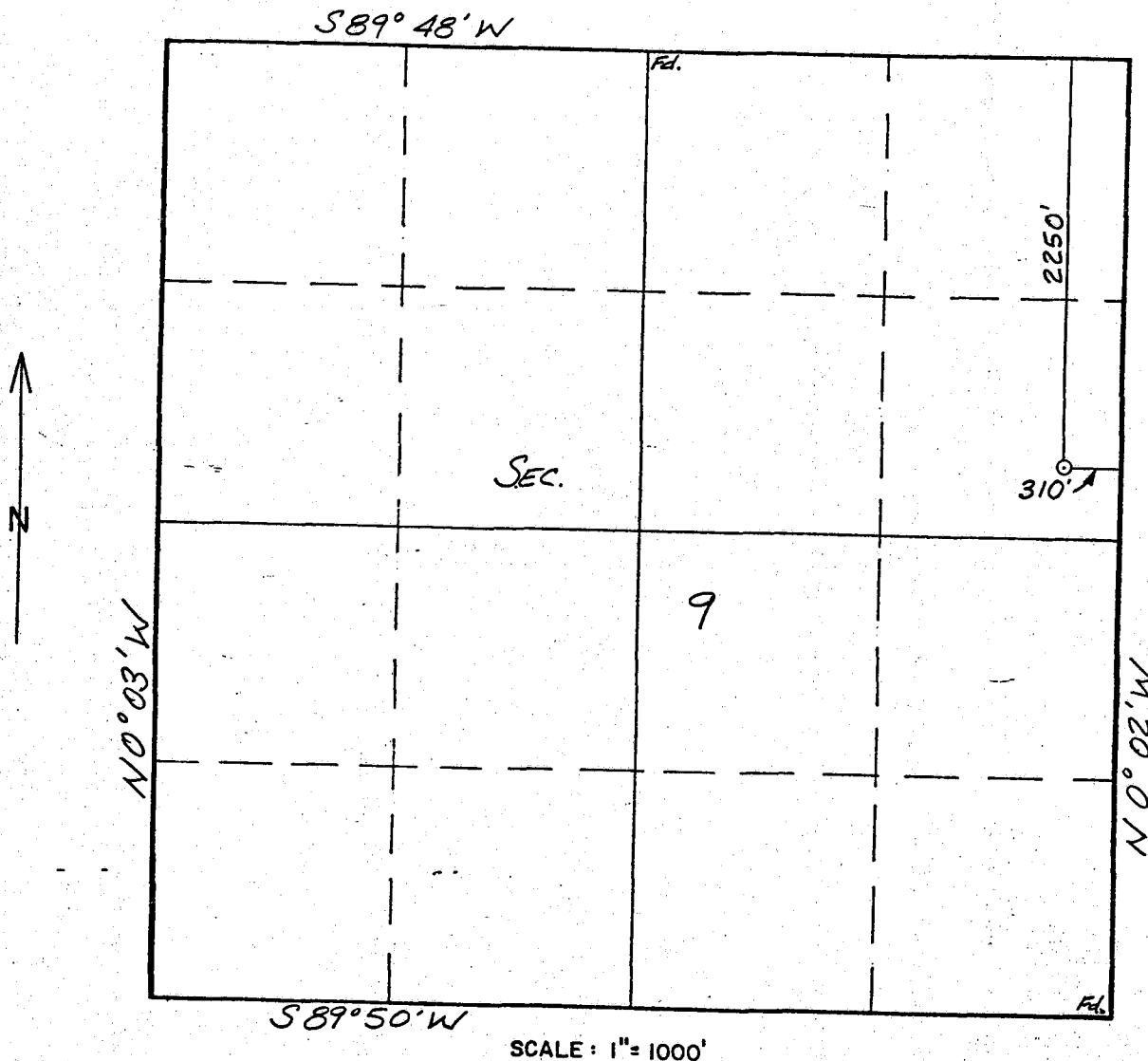
FLARING OR VENTING OF  
GAS IS SUBJECT TO NTL 4-A  
DATED 1/1/80

STATE OF UTAH - DOG-M

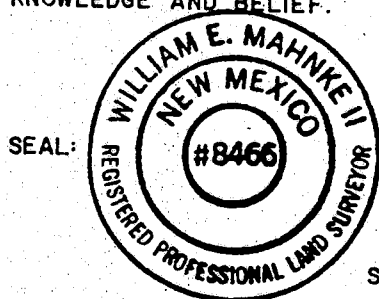
\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COMPANY E. P. OPERATING COMPANY  
LEASE ARROWHEAD FEDERAL WELL NO. 1-9  
SEC. 9, T. 37 S, R. 23 E  
COUNTY San Juan STATE Utah  
LOCATION 2250'FNL & 310'FEL  
ELEVATION 5832



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



William E. Mahnke II  
WILLIAM E. MAHNKE II  
NEW MEXICO P.L.S. Nº 8466

SURVEYED MAR. 31, 1988



EP Operating Company  
Well No. Arrowhead Federal 1-9  
Sec. 9, T. 37 S., R. 23 E.  
San Juan County, Utah  
Lease U-40440

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

EP Operating Company is the bonded entity on this application. Liability will remain with the bonded party named until we are formally notified by letter of the new bonded entity in reference to this Application for Permit to Drill.

NOTIFICATIONS

Notify the San Juan Resource Area, at (801) 587-2141 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer      Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

Paul Brown, I&E Coordinator

Office Phone: (801) 259-6111

Home Phone: (801) 259-7018

24 hours advance notice is required for all abandonments.

**RECEIVED**  
NOV 13 1989

3162 (U-065)  
(U-40440)

DIVISION OF  
OIL, GAS & MINING

Moab District  
P. O. Box 970  
Moab, Utah 84532

NOV - 8 1989

EP Operating Company  
7800 Stemmons Fwy., Suite 500  
Dallas, Texas 75247

Re: Rescinding Application for Permit to Drill  
Well No. Arrowhead Federal 1-9  
Sec. 9, T. 37 S., R. 23 E.  
San Juan County, Utah  
Lease U-40440

Gentlemen:

The Application for Permit to Drill the referenced well was approved on May 5, 1988. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding and returning the referenced application. Should you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

If you have any questions, please contact the Branch of Fluid Minerals at (801) 259-6111.

Sincerely yours,

/s/ Kenneth V. Rhea

District Manager

Enclosure: Application for Permit to Drill

ACTING

cc: San Juan Resource Area (w/o encl.)  
State of Utah, Division of Oil, Gas & Mining (w/o encl.)

bcc: USO, U-942 (w/o encl.)

KJones:kj:11/06/89



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

November 15, 1989

EP Operating Company  
7800 Stemmons Freeway, Suite 500  
Dallas, Texas 75247

Gentlemen:

Re: Arrowhead Federal 1-9, Sec. 9, T. 37S, R. 23E, San Juan County, Utah  
API No. 43-037-31412

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

*Don T. Staley*

Don T. Staley  
Administrative Supervisor

TAS/lde

cc: D.R. Nielson  
R.J. Firth  
BLM - Moab  
Well file

HOI2/8

OIL AND GAS	
DRN	R/E
JRD	CLH
DTF	SLS
1-TAS	
00-	MICROFILM ✓
3-	FILE